



# **Secretary of Defense Report**

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**October 1, 2003 – March 31, 2004**

**This report fulfils the requirements of the Inspector General Act of 1978,  
as amended, 5 U.S.C., Appendix 3, Section 5(b).**

## **FOREWORD**

Section 5(b) of the Inspector General Act of 1978, as amended, requires that “Semiannual reports of each Inspector General shall be furnished to the head of the establishment involved not later than April 30 and October 31 of each year and shall be transmitted by such head to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the head of the establishment.”

Section 5(b) requires the report by the head of the establishment to report information in the following four general categories:

- (1) any comments such head determines appropriate;
- (2) statistical tables showing the total number of audit reports and the dollar value of disallowed costs, for audit reports;
- (3) statistical tables showing the total number of audit reports and the dollar value of recommendations that funds be put to better use by management agreed to in a management decision, for audit reports; and
- (4) a statement with respect to audit reports on which management decisions have been made but final action has not been taken, other than audit reports on which a management decision was made within the preceding year.

## FOLLOWUP STATUS REPORT\*

<b>STATUS OF ACTION ON CENTRAL INTERNAL AUDITS</b> <b>Period ending March 31, 2004</b> <b>(\$ in thousands)</b>		
<b>Status</b>	<b>Number</b>	<b>Funds Put to Better Use <sup>1</sup></b>
OIG DoD		
Action in Progress - Beginning of Period	289	\$82,900
Action Initiated - During Period	67	20,509
Action Completed - During Period	75	4,197,855
Action in Progress - End of Period	281	103,390 <sup>2</sup>
Military Departments		
Action in Progress - Beginning of Period	402	1,802,500
Action Initiated - During Period	274	295,399
Action Completed - During Period	196	186,876
Action in Progress - End of Period	480	1,706,578
<sup>1</sup> There were no OIG DoD audit reports issued during the period involving "disallowed costs." <sup>2</sup> On certain reports (primarily from prior periods) with audit estimated monetary benefits of \$7,626 million, we agreed that the resulting monetary benefits can only be estimated after completion of management action, which is ongoing.		

\* Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix 3, Section 5(b)(2) & (3).

**STATUS OF OIG DOD REPORTS MORE THAN 12 MONTHS OLD  
WITH FINAL ACTION PENDING<sup>1, 2 3</sup>  
(As of March 31, 2004)**

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-004</b> , Import Processing of DoD Cargo Arriving in the Republic of Korea, 10/4/2001	Revise USFK Regulation 55-72 to require improvements in processing shipping forms and cargo, maintain current information on customs clearance personnel, require the use of commercial carriers when available, and establish procedures to pay storage charges to Korea in Korean currency. Implement a cost-efficient system for the automated processing of customs forms using an electronic data interchange.	Corrective actions are on target.	USFK
<b>D-2002-005</b> , Management of the Joint Simulation System, 10/5/2001	Joint Simulation System (JSIMS) Program Manager is developing an overall security policy, including a security procedures manual and security standard operating procedures. Program Office is also developing a Program Office Estimate of JSIMS Life Cycle Cost Estimate.	JSIMS development effort has been terminated. Hardware and software are being transferred to the Joint Warfighting Center at USJFCOM.	USD(AT&L)
<b>D-2002-006</b> , Classified Chemical and Biological Report (U), 11/16/2001	Report is classified.	Extensive time needed to coordinate policy and integrate new controls into existing systems.	Army, Navy
<b>D-2002-008</b> , Controls Over the Computerized Accounts Payable System (CAPS) at Defense Finance and Accounting Service Kansas City (DFAS-KC), 10/19/2002	Improve guidance on criteria for proper and accurate receipt and invoice documentation; improve organizational structures to provide better internal controls, especially separation of duties; and use an approved sampling plan for contracts and miscellaneous payments.	Management corrective actions are on target.	DFAS, MC

<sup>1</sup> Fulfills requirements of the Inspector General Act of 1978, as amended, 5 U.S.C., Appendix 3, Section 5(b)(4).

<sup>2</sup> Included are reports issued beginning in FY 2002. A complete list of reports more than 12 months old with final action pending can be viewed on the OIG DoD website at [www.dodig.osd.mil](http://www.dodig.osd.mil).

<sup>3</sup> For this reporting period, there are no disallowed costs on reports over 12 months old with final action pending. Report Nos. D-2001-015 and D-2003-064 had \$52.7 million and \$30.2 million, respectively, of funds to be put to better use that have been agreed upon, but have not yet been achieved.

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-009</b> , Valuation of Inventories in the Defense Logistics Agency Standard Automated Materiel Management System, 10/22/2001	DLA Inventory Control Points will need to correct all inaccurate acquisition costs in order to quantify the benefits to DLA customers for the reduced sales prices. Corrections should be made in time for the FY 03 standard prices.	Buy history not completed when originally anticipated, deferring corrective actions a year.	DLA
<b>D-2002-010</b> , Armed Services Blood Program Defense Blood Standard System, 10/22/2001	Establish a plan to ensure user critical functional requirements are incorporated into Defense Blood Standard System (DBSS). Establish controls to ensure thorough review on system change requests. Establish competency assessment requirements for system administrators and develop a tri-Service training program. Establish procedures to ensure effective deployment of DBSS system upgrades and management of blood product inventory.	Normal progression of system development and changes.	Army, Navy, AF, ASD(HA)
<b>D-2002-013</b> , Defense Supply Center Richmond Qualified List Program, 11/20/2001	Fully implement DoD review, qualification, and recertification requirements for the Defense Standardization Program (DSP). Provide deficiency report information to Qualified Products List (QPL) managers. Ensure current information is included in the QPL data base.	Additional time will be needed to develop an alternative approach to address the data base issues. Longer term personnel and training actions are on schedule.	DLA
<b>D-2002-019</b> , Checks Issued Difference for Deactivated Disbursing Station, 11/28/2001	Establish a standard method to clear checks issued differences when reconciliation data are not available; Clear checks issued differences from the Comparison Report at locations where the data needed to complete the checks issued reconciliation are not available.	Long-term corrective action on target.	DFAS
<b>D-2002-020</b> , Audit Report on General Officer Quarters at Kaneohe Bay, Hawaii Camp Pendleton California, and Albany, Georgia, 12/5/2001	Congressional committees will be notified of ADA violation and appropriate corrections will be made. SecNavInst 11101.73B will be revised and a resident guide will be developed.	Normal time to revise policies, conduct an investigation and report the results.	Navy
<b>D-2002-024</b> , Navy Fleet Hospital Requirements (U), 12/12/2001	Report is classified.	Corrective actions are on target.	Navy, PACOM

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-028</b> , Classified Report on Environmental Program - Japan (U), 12/28/2002	Report is classified.	Corrective actions are on target.	PACOM
<b>D-2002-032</b> , Audit of Major Defense Acquisition Program Cycle Time, 12/28/2001	AT&L is redesigning the Consolidated Acquisition Reporting System.	Corrective action was scheduled for completion in 2003.	USD(AT&L)
<b>D-2002-034</b> , Military Health System Optimization Plan, 12/31/2001	Two new groups, Medical-Personnel (MED-PERS) Committee and Health Professionals' Incentives Integration Board (HPIIB) have been established. One of the matters under their consideration will be opportunities for resource sharing between the Services.	Charters being established for MED-PERS Committee and HPIIB.	ASD(HA)
<b>D-2002-035</b> , Protection of Strategic Systems Against Radio Frequency Threats (U), 1/4/2002	Report is classified.	Corrective actions are on target.	USD(I)
<b>D-2002-036</b> , Acquisition of the Naval Fires Control System (NFCS), 1/8/2002	The Navy is going to update the Operational Requirements Document (ORD) and the Surface Test and Evaluation Master Plan. Upon receipt of the updated ORD for NFCS, the Joint Staff office will review and certify the document for interoperability and coordinate it accordingly.	Actions ongoing -- awaiting system Initial Operating Capability for completion.	Navy
<b>D-2002-038</b> , Financial Reporting for the Other Defense Organization General Funds at the Defense Finance and Accounting Service San Antonio, 1/14/2002	Review all abnormal general ledger accounts; determine the cause of net abnormal balances; document the causes of net abnormal balances and when possible correct the balances; and correct abnormal balances generated by business process anomalies.	Long term corrective actions on target, but not yet validated by OIG CFO audit.	DFAS

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-039</b> , Automation of the DoD Export License Allocation Review Process, 1/15/2002	A variety of alternative approaches and concepts are being considered to determine if existing automation options can be used in developing a DoD-wide automated system for the dissemination and review of export licenses. Other projects are being conducted in cooperation with the Defense Technology Security Administration, and Commerce, to assess the needs of interagency partners.	Management corrective actions are on target.	USD(P), AF
<b>D-2002-048</b> , General and Flag Officer Quarters at Fort Shafter, Hawaii and Fort McPherson, Georgia, 2/12/2002	An investigation into a potential ADA violation was initiated. Policy on reviewing maintenance and repair expenditures will be incorporated into the next revision of AR 210-50.	Time required to conduct an investigation and update policies.	Army
<b>D-2002-049</b> , Classified Report on Environmental Program (U), 2/14/2002	Report is classified.	Corrective actions are on target.	PACOM
<b>D-2002-052</b> , Meteorological and Oceanographic Support from Continental United States Based Support Centers, 2/19/2002	Navy and Air Force plan to develop a joint Weather Research Forecast (WRF) model and, through the Joint Meteorological and Oceanographic (METOC) and Interoperability Board (JMIB), develop a single geospatially-correct, four-dimensional environmental characterization of the battle space to provide the warfighter with information and knowledge about his operating environment. Applicable guidance will be revised to include procedures for METOC acquisition category II and below programs.	Normal time needed to develop and coordinate models, plans, and revised guidance.	Navy, AF
<b>D-2002-056</b> , Controls Over Vendor Payments Made for the Army and Defense Agencies Using the Computerized Accounting Payable System (CAPS), 3/6/2002	Revise the FMR to incorporate the requirements of 5 CFR 1315. Improve security over access to CAPS. Identify and standardize use of best practices to detect weaknesses in the vendor payment process. Provide for automated interfacing of data between CAPS and both the Standard Procurement System (SPS) and the Corporate Electronic Funds Transfer (CEFT) database.	Management corrective actions are on target.	USD(C), DFAS

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-060</b> , Management of Terminal Items at the Defense Logistics Agency, 3/13/2002	Revise procedures to review terminal items with no registered users in the Defense Inactive Item Program (DIIP), for obsolescence, and quantify the number of terminal National Stock Numbers (NSNs) that are determined to be obsolete after NATO and foreign governments review the NSNs.	Corrective action delayed due to upgrade in operating systems and information found in the system.	USD(AT&L)
<b>D-2002-071</b> , DoD Management of the North Atlantic Treaty Organization Security Investment Program, 3/26/2002	EUCOM will track each prefinanced project in the NATO Security Investment Program, including the likelihood of NATO Infrastructure Committee authorization, actions required to obtain NATO authorization, and an estimated recoupment date. The Navy will amend Instruction 4000.2A.	Long-term corrective action on target.	EUCOM, Navy
<b>D-2002-073</b> , Financial Management Ending Balance Adjustments to General Ledger Data for the Army General Fund, 3/27/2002	Use transactional data from a centralized database to populate general ledger accounts in the Defense Departmental Reporting System (DDRS) Budgetary and continue efforts to analyze and correct causes for current adjustments; Use transactional data to generate a general ledger data file for DDRS Budgetary.	Slow system development process.	DFAS
<b>D-2002-075</b> , Controls Over the DoD Purchases Card Program, 3/29/2002	Improve oversight and management controls over DoD purchase cards.	Corrective actions are on target.	USD(AT&L)
<b>D-2002-076</b> , Funding Invoices to Expedite the Closure of Contracts Before Transitioning to A New DoD Payment System, 3/29/2002	Revise chapter 10, Appendix B, number 7, "Accounting Requirements for Expired and Closed Accounts, " to require that the DoD activity to which a program has transferred be responsible for providing current-year funding.	Corrective actions are on target.	USD(C)
<b>D-2002-077</b> , Bulk Fuel Infrastructure Military Construction Project Review Process, 4/3/2002	Establish procedures for Major Commands to use in validating MILCON and MR&E projects.	Normal time needed to issue a new policy document.	AF



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<b>D-2002-079</b> , Delivery and Receipt of DoD Cargo Inbound to the Republic of Korea, 4/15/2002	USFK Regulation 55-355, "Korea Traffic Management" is being revised to include specific cargo delivery information. The Eighth U.S. Army Command Inspection Program (CIP) will include delivery information. A new checklist will be incorporated into the CIP schedule by the 4th Quarter FY 2002.	Cargo delivery information needs to be incorporated into the U.S. Eighth Army Command Inspection Program.	USFK
<b>D-2002-080</b> , Quality Deficiency Reporting Procedures for Naval Repair Parts, 4/5/2002	Navy will develop and deploy an automated information technology system that will centrally account and control Process Quality Deficiency Reports. To improve notification procedure process, the Navy Inventory Control Point and Supply Systems Command will assess development of a more timely media such as emails and messages as well as web site postings.	Corrective actions are on target.	Navy, DLA
<b>D-2002-084</b> , Guidance for the Global Command and Control System Common Operational Picture (U), 5/1/2002	Report is FOUO.	Extensive time needed to coordinate and issue guidance	JS, PACOM, SOUTHCOM, EUCOM
<b>D-2002-088</b> , Acquisition of the Joint Service Lightweight Standoff Chemical Agent Detector, 5/10/2002	Implement improvements in defining operational requirements, evaluating production readiness, test planning, and program funding.	Extensive time needed to revise program acquisition strategy.	USD(AT&L)
<b>D-2002-090</b> , Final Report on the Evaluation of the Defense Supply Center Columbus Qualified Products List and Qualified Manufacturers List Program, 5/14/2002	USD(AT&L) will review the underlying policy provisions concerning Qualified Manufacturer's List/Qualified Products List (QML/QPL) Programs contained in DoD Manual 4120.24-M and develop and issue clarifications as needed. A risk assessment of Defense Supply Center Columbus has been completed and the results are being entered into the QPL database, which will allow prioritization of audits.	Normal time needed to develop and coordinate policy revision.	USD(AT&L), DLA

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-091</b> , Accountability and Control of Materiel at the Corpus Christi Army Depot, 5/21/2002	Comply with Army guidance for storage of maintenance materiel and the preparation and submission of management reports for review; price materiel stored in the Automated Storage and Retrieval System (ASRS) that has no extended value or added to the physical inventory, and identify the value of inventory excess to prevailing requirements; inventory, record, identify valid needs, and turn in or transfer materiel stored in work centers; perform annual physical inventory and quarterly reviews of all materiel stored in ASRS to determine if valid requirements exist; review projects at various stages; reconcile ASRS and Maintenance Shop Floor System files; prepare and submit reports for various reports for ASRS.	Action is ongoing, however, constrained by personnel reduction and competing priorities.	Army
<b>D-2002-095</b> , Chemical and Biological Defense Individual Protective Equipment in Central Command and European Command Area (U), 5/30/2002	Report is classified.	Extensive time needed for system development and testing USD(AT&L) and for policy coordination and issuance (Army). Action to address requirements issues on hold pending OSD guidance (Army and Navy).	USD(AT&L), Army, Navy
<b>D-2002-098</b> , Army Website Administrative Policies and Practices, 6/5/2002	Establish a training requirement and curriculum for Army web administrators.	Funding issues caused initial delay. Action is now on track.	Army
<b>D-2002-101</b> , Human Capital Compensation Policies and Procedures for Selected Nonappropriated Funds Childcare Provider, 6/10/2002	Strengthen management controls over childcare provider database (Navy) and salary payments (USMC).	Long-term corrective actions on schedule (Navy). Extensive time needed to coordinate and issue policy (USMC).	Navy, MC
<b>D-2002-103</b> , Certification of the Reserve Component Automation System (RCAS), 6/14/2002	Establish functional performance measures to better assess both the initial and future impact of RCAS on supported functionalities.	Corrective actions are on target.	Army, NGB

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-107</b> , Army Transition of Advanced Technology Programs to Military Applications, 6/14/2002	Research Development and Engineering Centers (RDECs) should incorporate performance goals necessary for technology transitions in Science & Technology project managers performance plans. Positive and clear incentives should be introduced in order to foster advancement as rapidly as possible.	Implementation of recommendation has been delayed due to a reorganization to a new Army Materiel Command subordinate command.	Army
<b>D-2002-108</b> , Standard Procurement System Certification and Accreditation Process, 6/19/2002	Identify the responsibilities the certification and accreditation actions or steps to be performed by the program manager and Component organizations, to include Component sites to which the system is deployed.	Extensive time needed to coordinate and issue policy.	ASD(NII)
<b>D-2002-109</b> , Army Claims Service Military Interdepartmental Purchase Requests, 6/19/2002	Recoup the Unliquidated obligation in FY 1997- 2000 O&M funds from GSA and deobligate the funds.	The remaining funds will be recouped and deobligated upon the completion of the on-going FY 2000 contract on which the funds are being used.	Army
<b>D-2002-110</b> , Policies and Procedures for Military Interdepartmental Purchaser Requests WHS, 6/19/2002	Improve procedures for processing MIPR, reviewing unliquidated obligations (ULO) and deobligating excess funds.	Management corrective actions are on target.	DAM, WHS
<b>D-2002-112</b> , Report of the Industrial Prime Vendor Program at the Air Force Air Logistics Center, 6/20/2002	A new sourcing process will include an automated sourcing model capable of evaluating individual items and determining the best value source, including existing inventory.	Sourcing model developed but testing revealed several limitations that require enhancements.	DLA
<b>D-2002-113</b> , Controls Over the Computerized Accounts Payable System at Defense Finance and Accounting Service Columbus, 6/21/2002	Require the manual certification of all vendor payments made using the Computerized Accounts Payable System for Windows, until implementation of a sampling plan for vouchers under \$2500.	Implementation has been delayed by a change in management strategy.	DFAS
<b>D-2002-116</b> , Review of FY 2001 Financial Statements for the National Security Agency (U), 6/25/2002	Report is classified.	Long-term action continues.	NSA

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-117</b> , Review of FY 2001 Financial Statement for the Defense Intelligence Agency (U), 6/25/2002	Report is classified.	Long-term action continues.	DIA
<b>D-2002-119</b> , Defense Hotline Allegations Regarding the Military Airspace Management System, 6/25/2002	MILDEPs develop draft policies and procedures to standardize special use airspace scheduling process. Policy Board will review draft guidance.	Normal time required to draft policies and procedures.	ASD(NII)
<b>D-2002-121</b> , Security: Controls Over Biological Agents (U), 6/27/2002	Report is classified.	Extensive time needed to coordinate policy and delay due to reorganization.	USD(I)
<b>D-2002-122</b> , Environmental Community Involvement Program at Test and Training Ranges, 6/28/2002	A new DoD Directive "Outreach and Community Involvement for Sustainable Readiness" is being developed to address the issues raised by the audit. An individual will be detailed to OSD to work with the Overarching Integrated Product Team and Working Integrated Product Team to implement the new Directive and Instruction.	Normal time required to develop and coordinate policy document.	USD(P&R)
<b>D-2002-126</b> , Acquisition of the Evolved Seasparrow Missile, 7/5/2002	Include a cost element in the missile life-cycle cost estimate to account for demilitarization and disposal costs for the missile; revise the ORD to designate interoperability as a key performance parameter; and develop a C4I support plan.	Competing management priorities.	Navy

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-127</b> , Audit Report on DoD Compliance with Internal Use Software Accounting Standards, 7/9/2002	Applicable guidance will be used to facilitate distinguishing between capitalized and expensed software when recording transactions; a system will be implemented to capture material internal software costs; a data call process will be used to request the necessary information to determine which software should be capitalized and which should be expensed; DFAS will comply with existing DoD regulations mandating property accountability records for software over \$5000, and will use property records as the subsidiary ledger for internal use software.	Long-term corrective action on target.	DFAS, USD(C)
<b>D-2002-131</b> , Terminal Items Managed by the Defense Logistics Agency for the Navy, 7/22/2002	DLA will modify the existing stock retention policy to review terminal items that are excluded from the Defense Inactive Program (DIIP). In addition, plan to complete a new study to quantify the costs of inactive items.	Corrective action delayed due to upgrade in computer operating system.	DLA
<b>D-2002-139</b> , Naval Facilities Engineering Command Environmental Services Contracting, 8/20/2002	The Navy initiated an effort to review and rewrite the Navy Acquisition Procedures Supplement (NAPS). As part of the effort, the Navy will address documentation and approval requirements for services contract periods in excess of 5 years.	Corrective actions are on target.	Navy
<b>D-2002-140</b> , Measurement of Water Usage by DoD Components Serviced by the DC Water and Sewer Service, 8/20/2002	Locate and test water meters that measure water service from the DCWASA; establish and implement procedures to verify that the DCWASA routinely inspects and reports results of inspections for DoD-owned water meters; develop and implement effective controls and procedures to verify that the DCWASA accurately reads water meters to ensure that estimated water and sewer bills are reliable; establish and implement a maintenance program to repair or replace inoperable water meters.	Long-term corrective action on target.	Army, Navy, AF, NGA, WHS

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2002-143</b> , Acquisition of the Army Land Warrior System, 9/5/2002	The Project Manager is collecting lessons learned from experiences with the use of other transaction agreements compared to previous experiences with FAR-based contracts, both from the perspective of the Government and the Land Warrior Consortium. This information will be rolled into an after actions report which will be made available to the Army acquisition community following conclusion of the other transaction agreement.	The After Actions Report is going through internal staffing and awaiting final approval.	Army
<b>D-2002-153</b> , Reprocessed Medical Single-Use Devices in DoD, 9/30/2002	ASD(HA) issue policy and guidance stating the DoD position on the reuse of single-use devices (SUD) and work with FDA to work toward clarifying SUD labeling requirements. The MILDEPs Surgeons General issue implementing guidance consistent with ASD(HA) policy and ensure adequate awareness and training is provided to Military Treatment Facility personnel regarding the use of SUDs.	Significant time required to address/resolve issues with FDA and Services.	ASD(HA)
<b>D-2002-154</b> , Cooperative Threat Reduction Program Liquid Propellant Disposition Project, 9/30/2002	Take actions with regard to Russia to mitigate the risks of misuse of Cooperative Threat Reduction-provided assistance. Expedite the determination of the future of the heptyl disposition facility and request that Russia use the proceeds from the sale of heptyl for CTR Program purposes. Once access to facilities is obtained, perform more complete inspections of equipment provided to Russia to ensure proper usage.	Management corrective actions are on target.	USD(P), DTRA
<b>D-2003-001</b> , DoD Integrated Natural Resource Management Plan, 10/1/2002	The Services will work aggressively to coordinate and complete all remaining integrated natural resources management plans.	Corrective actions are on target.	Army, Navy, AF

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2003-002</b> , Information Resource Management at the Army Aviation and Missile Command, 10/3/2002	Provide technical monitors with training and guidance in the basic information technology concepts necessary to evaluate the acceptability of products and services obtained from the Information Mission Area Support Services Contract.	Delayed deployment of automated training program.	Army
<b>D-2003-003</b> , Controls for the DoD Aviation Into-Plane Reimbursement Card, 10/3/2002	The DLA and the Services need to improve management controls and establish written policies that define the methods and responsibilities for using the Aviation Into-Plane Reimbursement Card.	Corrective actions are on target.	DLA, Army, Navy, AF, MC
<b>D-2003-004</b> , Acquisition of the Advance Deployable System, 10/3/2002	The Navy is in the process of updating the acquisition strategy and all documentation related to the Advanced Deployable System, inclusive of all four blocks. In addition, the program office will complete a life cycle cost estimate for all four blocks.	Navy status response has been delayed.	Navy
<b>D-2003-011</b> , Implementation of Interoperability and Information Assurance Policies Acquisition of DoD Weapon Systems, 10/17/2002	Implement a process that timely integrates revisions for interoperability and information assurance policies into the applicable DoD and Chairman of the Joint Chiefs of Staff interoperability and information assurance policies.	Extensive time needed to coordinate and issue policy.	ASD(NII)
<b>D-2003-013</b> , Fuel Cells of the V-22 Osprey Joint Advanced Vertical Aircraft, 10/24/2002	Service safety organizations are required to review their procedures, and update them, as appropriate.	Normal time required to develop appropriate policy	USD(AT&L)
<b>D-2003-014</b> , Facility Specific Controls Over Biological Agents (U), 10/25/2002	Report is classified.	Extensive time needed to coordinate policy and delay due to reorganization.	USD(I)

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2003-016</b> , Material Distribution Services Contract at the Defense Distribution Depot Warner Robins Georgia, 10/30/2002	Develop standard operating procedures for Continuing Government Activity (CGA) personnel at the Defense Distribution Depot Warner Robins, Georgia (DDWG). Provide guidance to CGA personnel that stresses the importance of documenting contractor surveillance, including the use of contractor discrepancy reports.	Development of handbook delayed because it is now paralleling the development of relevant training modules.	DLA
<b>D-2003-018</b> , Validity of Registration in the Central Contractor Registration Database, 10/30/2002	Establish procedures to withhold payments to contractors and vendors until they are properly registered with a valid Tax Identification Number in the Central Contractor Registration database.	Management corrective actions are on target.	DFAS
<b>D-2003-019</b> , DoD Contractor Subcontracting With Historically Underutilized Business Zones (HUB Zones) Small Businesses, 11/22/2002	Implement a plan for reviewing and verifying prime contractors' reported subcontracting awards to ensure they are made to Small Business Administration-certified contractors.	Initial re-write of the Compliance Review Report did not meet the requirements.	DCMA, USD(AT&L)
<b>D-2003-021</b> , Export Controls Over Biological Agents (U), 11/12/2002	Report is confidential.	Extensive time is needed to coordinate and issue policy guidance.	USD(P), USD(AT&L), DATSD(C/BD)
<b>D-2003-022</b> , Independent Assessment of the DoD Subject of Information Technology Systems for Government Information Security Reform Reported for FY 01, 11/14/2002	Establish a standard data integrity program, including performance metrics, that would substantiate reported data on systems security; and require that the Chief Information Officers of DoD Components establish procedures to verify the reliability and accuracy of data that they report on the security posture for their information technology systems.	Planned actions are on schedule.	ASD(NII)



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<b>D-2003-025</b> , DoD Alternative Fuel Vehicle (AFV) Program, 11/22/2003	DoD Directive 4500.36 is being revised and will include the AFV requirements of Executive Order 13149 and relevant statutes. The Department will track biodiesel and ethanol dispensed through the military filling systems through the Fuels Automated System Enterprise Server.	Awaiting revision of DoD Directive 4500.36.	USD(AT&L)
<b>D-2003-029</b> , Contract Action Awarded to Small Businesses, 11/25/2002	Issue guidance for placing orders on the Federal Supply Schedules (FSS), publish clarifying guidance on using FSS in the Federal Acquisition Regulation, provide training on FSS use, re-emphasize the importance of market research, conduct trend analysis and monitoring of progress made in obtaining competition from multiple sources.	Normal time needed to establish policy and develop training	USD(AT&L)
<b>D-2003-030</b> , Financial Reporting of Deferred Maintenance Information on Air Force Weapons Systems for FY 2002, 11/27/2002	Develop additional procedures for collecting deferred maintenance information that is reconcilable with detailed year-end execution data. Revise FMR to allow the Air Force to present all material categories of deferred maintenance as major asset classes in accordance with Federal accounting requirements.	Long-term corrective action on target.	AF, USD(C)
<b>D-2003-031</b> , Defense Contracting Command Washington, 12/5/2002	The Army will issue guidance for timely monitoring, documenting, and recording of continuous learning points; specific Defense Contract Command - Washington (DCC-W) internal guidance will depend on what is contained in the Army-wide guidance. The DCC-W will conduct a manpower analysis.	Corrective actions are on target.	Army, DCC-W

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2003-033,</b> Accountability and Control of Materiel at the Naval Air Depot, North Island, 12/19/2002	Naval Air Depot (NADEP), North Island comply with Navy guidance regarding the storage of maintenance materiel at the depot, performance of quarterly reviews of maintenance materiel on hand, and submission of management reports for review. Ensure that NADEP develop and implement an effective management control program. NADEP immediately inventory materiel stored in work center storerooms, record all of the on-hand materiel on accountable records, identify the materiel for which a valid need exists, and return the items with no known requirement to the supply system. NADEP immediately perform the required quarterly reviews of materiel stored in work center storerooms to determine whether valid requirements exist for the materiel.	Action is ongoing.	Navy
<b>D-2003-034,</b> Adjustments to the Intergovernmental Payments Account, 12/10/2002	Revise the FMR to specify the documentation required to support adjustments from account F3885, 'Undistributed Intergovernmental Payments,' to closed appropriations. The guidance should describe the documentation required to identify the proper expenditure account, the responsible fund holder, and the payment date.	Long term action continues.	USD(C)
<b>D-2003-038,</b> Management Control Over Proposed Prime Vendor Support for the Army Apache Helicopter, 12/31/2002	The Army will update Army Regulation 5-20, "Commercial Activities Program," to require Army organizations to avoid conflicts of interest, to ensure separation of duties, limit the number of persons who have access to Government contracts, provide appropriate training in the revised OMB Circular A-76, and use legal services to assist in avoiding conflicts of interest.	Awaiting OSD guidance on the implementation of revised OMB Circular A-76.	Army, USD(AT&L)

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2003-040</b> , Chemical and Biological Defense Individual Protective Equipment in the Pacific Command Area (U), 12/31/2002	Report is classified.	Long-term corrective actions on schedule	USD(AT&L), PACOM, Army, Navy, AF
<b>D-2003-053</b> , Navy Transition of Advance Technology Programs to Military Applications, 2/4/2003	The Navy is implementing a requirement for formal memoranda of agreements for all Future Naval Capabilities. In addition, the Office of Naval Research is establishing management controls to include transition of technology and assure that performance measures and indicators will be quantifiable and linked to mission, goals, and objectives of the transition.	Navy status response has been delayed.	Navy
<b>D-2003-054</b> , Financial Reporting of Deferred Maintenance Information on Army Weapons Systems for FY 2002, 2/3/2003	The Army is issuing guidance requiring all elements of the Army to identify and collect: deferred depot-level maintenance requirements including maintenance that will not be executed due to constraints in depot level maintenance capacity; and deferred field-level maintenance amounts that are material as well as deferred maintenance identified as unexecutable. The Army is developing the capability to capture this data through automated systems.	Long-term corrective action on target.	Army
<b>D-2003-055</b> , Summary of Defense Finance and Accounting Services Implementation of Government Information Security Reform, 2/21/2003	Direct the Designated Approving Authority to revalidate that each Defense Finance and Accounting Service system is certified and accredited, and oversee the immediate certification and accreditation for those systems that do not have full approval to operate.	Planned actions are on schedule.	DFAS

Report Number/Title/Date	Description of Action	Reason Action Not Completed	Principal Action Office
<b>D-2003-056,</b> Public/Private Competition for the Defense Finance and Accounting Service Military Retired and Annuitant Pay Functions, 3/21/2003	The Center for Naval Analysis is studying how overhead costs could have impacted the A-76 competition. DFAS is reviewing/studying all aspects of the A-76 competition that impacted the outcome, e.g. feasibility of recompetition, review of available legal options, review of MEO, rewrite and renegotiation of a performance requirements summary, and perform a benchmarking study on customer service requirements.	Normal time needed to conduct study/reviews of actions impacting the final decision to contract out the Military Retired and Annuitant Pay Functions.	DFAS, USD(AT&L)
<b>D-2003-057,</b> Accountability and Control of Materiel at the Naval Air Depot, Jacksonville, 3/5/2003	Naval Air Systems Command enforce the requirements of NAVAIRINST 4400.5A to identify excess materiel that has been inactive for more than 270 days for routine use materiel and 12 months for long lead-time or low demand materiel; quarterly reporting of excess of materiel at Naval Air Depots to ensure excess materiel does not accumulate; and develop policy for Point Of Use Inventory. Naval Air Depot perform physical inventories of materiel stored in all storage locations and adjust inventory records accordingly; perform quarterly reviews of materiel stored in maintenance storerooms to determine whether valid requirements exist for the materiel; and identify excess materiel and return to the supply system.	Action is ongoing.	Navy
<b>D-2003-061,</b> Development of Navy Standard Integrated Personnel System, 3/12/2003	The Navy will remove funds from the Navy Standard Integrated Personnel System (NSIPS) Program (budgeted through FY 09) but retain FY 04 funds associated with certain development costs, service unique requirements, and congressional mandates.	Completion dependent on FYE or expenditure of \$4.3 million, which ever comes first.	Navy

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<b>D-2003-062</b> , Processing General Services Administration Rent Bills for DoD Customers in the National Capital Region, 3/12/2003	Resolve all outstanding differences between rent payments collected from DoD customers and amounts remitted to the General Services Administration to ensure that authorized rent payments are properly accounted for and collected amounts are remitted to the General Services Administration.	Corrective actions are on target.	DFAS, WHS
<b>D-2003-064</b> , Report on Accountability and Control Of Materiel at the Warner Robins Air Logistics Center, 3/20/2003	The Air Force is completing physical inventory, reconciling with the Wholesale and Retail Shipping System, and turning in any excess materials to supply. In addition, the Air Force will issue a policy directive to ensure proper supply discipline and use of material metrics in monthly material reviews.	Air Force status response has been delayed.	AF
<b>D-2003-066</b> , Controls Over the Use and Protection of Social Security Numbers Within DoD, 3/21/2003	An SOP will be developed to provide guidance and procedures for the protection and release of privacy data.	Time needed to transfer DSS security investigation function to OPM.	USD(I)
<b>D-2003-067</b> , Recoveries of Prior Year Obligations, 3/21/2003	Revise the DoD Financial Management Regulation to be consistent with recovery reporting guidance issued by the OMB and the Department of the Treasury; and program the DFAS accounting systems to properly capture, record, and report recoveries of prior year obligations.	Implementation of the Systems Change Request is contingent upon Business Management Modernization Program approval.	USD(C), DFAS
<b>D-2003-072</b> , DoD Compliance with the Uniformed and Overseas Citizens Absentee Voting Act, 3/31/2003	Army and Air Force are revising their voting assistance program regulations to be consistent with DoDD 1000.4, ensuring that the importance of a Service voting assistance program is emphasized at all levels of command, and working to improve oversight of their voting assistance programs.	Significant time required to develop guidance.	Army, Navy, AF

Acronyms:

AF	Air Force
ASD(HA)	Assistant Secretary of Defense (Health Affairs)
ASD(NII)	Assistant Secretary of Defense (Networks Information Integration)
CAP	Civil Air Patrol
DAM	Director, Administration and Management
DTASD(C/BD)	Deputy Assistant to the Secretary of Defense for Chemical/Biological Defense
DCC-W	Defense Contracting Command - Washington
DCMA	Defense Contract Management Agency
DeCA	Defense Commissary Agency
DFAS	Defense Finance and Accounting Service
DIA	Defense Intelligence Agency
DISA	Defense Information Systems Agency
DLA	Defense Logistics Agency
DSS	Defense Security Service
DSCA	Defense Security Cooperation Agency
DTRA	Defense Threat Reduction Agency
EUCOM	European Command
JS	Joint Staff
MC	Marine Corps
NGA	National Geospatial-Intelligence Agency
NGB	National Guard Bureau
NRO	National Reconnaissance Office
NSA	National Security Agency
PACOM	Pacific Command
TRANSCOM	Transportation Command
SOCOM	Special Operations Command
SOUTHCOM	Southern Command
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology and Logistics
USD(C)	Under Secretary of Defense (Comptroller)
USD(I)	Under Secretary of Defense (Intelligence)
USD(P)	Under Secretary of Defense for Policy
USD(P&R)	Under Secretary of Defense for Personnel and Readiness
USFK	United States Forces - Korea
WHS	Washington Headquarters Service